

TRANSCRIPT

January 12, 2010

MONTGOMERY COUNTY COUNCIL

PRESENT

Councilmember Nancy Floreen, President Councilmember Valerie Ervin, Vice President

Councilmember Phil Andrews
Councilmember Marc Elrich
Councilmember George Leventhal
Councilmember Duchy Trachtenberg

Councilmember Roger Berliner Councilmember Michael Knapp Councilmember Nancy Navarro



COUNCIL PRESIDENT FLOREEN: 1

2 Good afternoon. I do apologize. The County Council ran late in a closed session. Shall we stand for an invocation from Susan Troxel from the Baha'i Faith Community of 3 4

Montgomery County? Thank you for being here.

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SUSAN TROXEL:

Good afternoon, honored Councilmembers, staff, and guests. I'd like to offer a prayer that the proceedings this afternoon be illuminated with the light of truth and unity. O my god, o my god, unite the hearts of thy servants and reveal to them thy great purpose. May they follow thy commandments and abide in thy law. Help them, o god, in their endeavor, and grant them strength to serve thee. O god, leave them not to themselves, but guide their steps by the light of thy knowledge, and cheer their hearts by thy love. Verily, thou art their helper and their lord. Thank you.

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COUNCIL PRESIDENT FLOREEN:

Thank you. First on our agenda, we have a presentation by Council Vice President Ervin in recognition of Montgomery College's Susan Bontems for being named Maryland Professor of the Year by the Carnegie Foundation for the Advancement of Teaching. Congratulations, Miss Bontems.

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COUNCIL VICE PRESIDENT ERVIN:

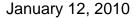
21 Good afternoon. If Susan is in the audience, if she would step forward, please? It's good 22 to be back. It's our first day back in session after a nice break over the Christmas holiday, 23 and we are very, very excited about presenting this proclamation to Ms. Bontems. 24 Montgomery College is ranked in the top 10 of all community colleges in the nation, and 25 26 we're going to present this proclamation now to one of the reasons why we're so proud of 27 Montgomery College, and Professor Bontems, we're meeting for the first time. Congratulations on your great accomplishment. Teaching is truly a passion for Professor 28 29 Bontems, who teaches chemistry at Montgomery College in Germantown. She was 30 recently named Maryland Professor of the Year by the Carnegie Foundation, and the County Council would like to take this opportunity to recognize her today for this 31 achievement. Professor Bontems worked in the chemical industry for 9 years before 32 joining the staff at Montgomery College as an adjunct professor. It was then that she 33 realized that teaching was always something she meant to do, and in 2002, she became a 34 full-time professor. She considers her biggest achievement to be the success of her 35 students, who continue on--many of whom continue on to 4-year colleges and then to 36 medical, pharmacy, nursing, and dental schools. Professor Bontems is a shining example 37 of the great faculty members who teach at Montgomery College, and I want to thank her 38 and all of the faculty at the college for helping our students to succeed. And so at this

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time, I would like to present you, professor, with a proclamation, which I'll read now on 40

behalf of the County Council. "Whereas, Susan Bontems, a Montgomery College 41

chemistry professor, has been named 2009 Maryland Professor of the Year by the 42





- 1 Carnegie Foundation for the Advancement of Teaching and the Council for the
- 2 Advancement and Support of Education, the largest international association of education
- 3 institutions; and whereas, the U.S. Professors of the Year program salutes the
- 4 outstanding undergraduate instructors in the country--those who excel as teachers and
- 5 influence the lives and careers of their students, and the award is recognized among the
- 6 most prestigious ones honoring professors; and whereas, Professor Bontems has
- 7 encouraged the Germantown campus chemistry department to offer Honors courses, has
- 8 worked with a colleague to develop and implement a seminar-style Honors module for
- 9 organic chemistry, and has coauthored laboratory manuals for organic labs to improve
- student understanding and safety"--excuse me. Ahem. "And whereas, Professor Bontems
- has been described as a skillful, enthusiastic, innovative, and engaged teacher who is
- 12 focused on student learning and serves as a model master teacher and who encourages
- curiosity and understanding in her students; and whereas, Susan Bontems exemplifies
- 14 how teachers who are committed to academic excellence can open the doors of success
- 15 for young people, and the Montgomery County Council takes pride in her achievements
- and the great honor she has brought to her County; now, therefore, be it resolved that the
- 17 Montgomery County Council of Montgomery County, Maryland, hereby proclaims
- congratulations to Professor Susan Bontems for being named 2009 Maryland Professor of
- the Year by the Carnegie Foundation." Signed this 12th day of January in the year 2010,
- 20 signed by Council President Nancy Floreen. Congratulations.

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- SUSAN BONTEMS:
- Thank you very much.

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- 25 COUNCIL VICE PRESIDENT ERVIN:
- So we will ask you, professor, if you'd like to say a few words.

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- 28 SUSAN BONTEMS:
- 29 Do you--do you want a chemistry lecture, or...

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- 31 COUNCIL VICE PRESIDENT ERVIN:
- 32 Oh, no, no. No chemistry lecture.

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- 34 SUSAN BONTEMS:
- Thank you very much. I would like to thank you very much for the honor, and certainly it's
- an incredible honor to be here, and I'd like to thank my colleagues and Montgomery
- College. I love teaching there, and it's a great place to work. Thank you.

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- 39 COUNCIL VICE PRESIDENT ERVIN:
- 40 Great. Thank you so much, and would you like to say anything, professor--or what is your
- 11 new role now? You have a new title.

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SANJAY RAI: 1

- 2 I'm interim vice president and provost for our Germantown campus. I want to thank
- Councilmember Valerie Ervin and the whole County Council for recognizing Professor 3
- 4 Bontems on this extraordinary achievement. And when we say Montgomery College is a
- 5 top 10 community college in the nation, we are there because of professors like Professor
- Bontems. Thank you again. Thank you.

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8 COUNCIL VICE PRESIDENT ERVIN:

Thank you so much. And we're going to take a lot of pictures. 9

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COUNCIL PRESIDENT FLOREEN: 11

12 Congratulations. Thanks.

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14 COUNCIL VICE PRESIDENT ERVIN:

Congratulations. So...let me move this out of the way.

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NEIL GREENBERGER:

18 Please hold up your copy. We're going to take several pictures. Please smile for all of 19

them. OK. A couple more. Just look right at me. Great. Thank you.

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COUNCIL VICE PRESIDENT ERVIN:

Thank you again, and congratulations. 22

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COUNCIL PRESIDENT FLOREEN:

Congratulations. Council Vice President Ervin, if you wouldn't mind staying there for 25

another moment. We're going to do something a little bit out of the ordinary. In November, 26

27 we--as everybody knows, we had a terrible problem with our traffic light system. And the

public was very involved and concerned and frustrated. That was nowhere near the 28

29 frustration and the challenge performed, met, and overcome by County staff. So we're

30 going to--Miss Ervin and I are going to recognize the Department of Transportation

director, Art Holmes, Al Roshdieh, Emil Wolanin, Mike Kinney, John Riehl, Scott Myers, 31

and Bob Ricketts. Could you all come up? We know this was not an easy task, and 32 public's frustration was really addressed with tremendous work, energy, and collaboration 33

by County staff and our private sector partners. So if I could ask Council Vice President 34

Ervin to join me with this proclamation and read it. "Whereas, Montgomery County's 35

Division of Traffic Engineering and Operations' mission is to provide a safe and efficient 36 37

transportation system, and..."

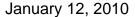
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COUNCIL VICE PRESIDENT ERVIN:

"Since 1981, DTEO has utilized a computerized traffic signal system to manage the flow 40 of traffic on all roads in the County, and..." 41

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1 COUNCIL PRESIDENT FLOREEN:

"Whereas, the central computer that controls the nearly 800 traffic signals in the County
 experienced a catastrophic failure on November 4, 2009, causing massive rush hour
 traffic problems on roads throughout the County; and..."

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6 COUNCIL VICE PRESIDENT ERVIN:

7 "DTEO staff, along with the support of Siemens and Park Place International, worked 8 tirelessly to troubleshoot the source of the failure and to restore the aging system to 9 working condition, as well as manually adjust signal timings at many intersections to 10 facilitate the flow of traffic as best as possible."

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12 COUNCIL PRESIDENT FLOREEN:

"And DTEO staff also coordinated with various government agencies such as the County
 Executive's office, County police, Department of Technology Services, and Maryland

15 State Highway Administration to address the many issues that arose during this event..."

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COUNCIL VICE PRESIDENT ERVIN:

"And whereas, DTEO has developed contingency plans to minimize the likelihood of a similar system failure and has also implemented backup signal timings at local intersections..."

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COUNCIL PRESIDENT FLOREEN:

- 23 "And now, therefore, be it resolved that the County Council of Montgomery County,
- 24 Maryland, hereby recognizes the office of Montgomery County's Department of
- 25 Transportation's Division of Traffic Engineering and Operations for the exemplary and
- outstanding service under extreme conditions in responding to the traffic signal failure on
- November 4 and 5, 2009." Presented this 12th day of January in the year 2010. So, thank
- you very much, gentlemen. We know it was tough. We know it's never going to happen again. Right?

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COUNCIL VICE PRESIDENT ERVIN:

We're going to have Director Holmes speak.

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ART HOLMES:

Just a couple of words. I want to thank the president and vice president of the Council and each Councilmember for this recognition of some very hard, smart work on the part of individuals in the Traffic Engineering section. This is an antiquated system, but they went to the task and looked at the fault, found the fault, and then repaired the fault, and for that, I'm very happy to be a part of their team. Thank you very much.

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COUNCIL PRESIDENT FLOREEN:

42 Anyone else? Why don't we have a photo? You need to hold the proclamation there.

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ART HOLMES:

Why don't you hold the proclamation? You hold the proclamation. 3

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5 **NEIL GREENBERGER:**

Let's get a little closer together. There we go. A couple more. Keep smiling. Everybody give me one good smile. Looks good. Thank you.

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COUNCIL PRESIDENT FLOREEN:

OK. Thank you very much. All righty. On to general business. Miss Lauer. 10

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LINDA LAUER: 12

- Hi. The general business--today we have the announcement of two public hearings 13
- 14 coming up here in the next couple of weeks:
- a public hearing on February 2 at 1:30 on the Spending Affordability Guidelines for the 15
- FY11 Operating Budget. The public hearing dates for the Capital Improvements Program 16
- will be February 9, 10, and 11 at 7 P.M. Today's agenda--we do have a couple of 17
- changes. The Consent Calendar, two items are deferred. Agenda Item F. which is-18
- 19 pertains to the County employee group insurance plans--that item is deferred. The--and
- then G, Resolution to approve the closure of pedestrian tunnel under Stedwick Road in 20
- 21 Gaithersburg --that item is deferred. And then one correction to the public hearing on Bill
- 42-09, Common Ownership Communities. That--I just want to correct it. It will go to the 22
- 23 Public Safety Committee at a future date. And then--

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COUNCIL PRESIDENT FLOREEN: 25

Thank you, Miss Lauer.

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LINDA LAUER:

- 29 And then we did receive a number of petitions during the recess. We received one each--
- 30 one opposing and another supporting the requirements for the disclaimer for the
- Pregnancy Resource Centers, one on supporting the full funding of the libraries budget, 31
- one supporting a pedestrian bridge for the Silver Spring Library, and then finally, one 32
- supporting the Suburban Hospital's campus enhancement project. Thank you. 33

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35 COUNCIL PRESIDENT FLOREEN:

- Thank you very much, Miss Lauer. We have minutes of December 1. Is there a motion for 36
- approval? 37

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- 39 COUNCIL VICE PRESIDENT ERVIN:
- 40 Move approval.

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42 COUNCIL PRESIDENT FLOREEN:



Moved by Councilmember Ervin. Seconded by Councilmember Trachtenberg. All in favor, please signal by raising your hands. OK. Everyone is with us. That's unanimous. Thank you very much. On to the Consent Calendar. Is there--as amended.

COUNCILMEMBER KNAPP:

6 Move approval.

COUNCIL PRESIDENT FLOREEN:

Is there a motion--

COUNCIL VICE PRESIDENT ERVIN:

12 Second.

COUNCIL PRESIDENT FLOREEN:

Moved by Councilmember Knapp and seconded by Councilmember Ervin. All in favor of approving the Consent Calendar? That is again unanimous. Thank you very much. And there were no comments on that. OK. Then we'll move on to the public hearing. Let's see here. The first item is public hearing on--this is a public hearing on ZTA 09-11, Residential Zones - Agricultural Vending. This would allow what most residents would call farmers markets on larger parcels of land adjacent to major roads if the lot is otherwise used for nonresidential purposes. A PHED Committee worksession on this ZTA is tentatively scheduled for Thursday, January 21, at 9:30 A.M., and persons wishing to submit additional material for the Council's consideration should do so before the close of business on Wednesday, January 13. And we have Greg Russ from the Montgomery County Planning Board, Edward Rankin from Twin Spring Fruit Farm--Mr. Rankin, are you here? And Jim Heller from Concord Street Andrews United Methodist Church. Come on up. Thank you. And, Mr. Russ.

GREG RUSS:

Thank you, Council President Floreen. For the record, Greg Russ from Montgomery County Planning Board. The Planning Board reviewed this ZTA at its regular meeting on January 7. After careful review of the material of record, the board voted unanimously to provide the following comments. Overall, the board supports providing opportunities for vending of farm products near residential areas. The proposed text amendment would allow what residents might typically refer to as farmers markets to be established as agricultural vending with somewhat broader application, in that they could be established in most one-family residential zones if located on a lot or a parcel greater than 4 acres that is also used for nonresidential purposes other than agricultural vending, the lot or parcel abuts a roadway with 4 or more lanes, and the structure or vehicle used for sales remains in the same location for less than 24 hours. The board believes that the parameters proposed for the establishment of agricultural vending help to mitigate some possible adverse impacts on surrounding residential development. However, the board is



- concerned that the broadening of the farm market provisions in one-family residential
- 2 zones could have far more--have more far-reaching impacts than anticipated by the
- 3 sponsor and therefore should be addressed more comprehensively as part of the Zoning
- 4 Ordinance Rewrite Project. For example, the board is concerned that requiring the
- 5 location of agricultural vending on lots or parcels greater than 4 acres could potentially
- 6 result in a larger scale of farm produce vending that is out of character with the
- 7 surrounding neighborhoods. The Planning Board also questioned how the process would
- 8 be handled for allowing agricultural vending by right on non-residentially-used parcels
- 9 where the existing use is governed by a special exception. That's the end of my--my
- presentation on this ZTA. I'm also speaking on the second one, so I-- I don't know if you--

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- 12 COUNCIL PRESIDENT FLOREEN:
- 13 You have 5 minutes altogether.

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- 15 GREG RUSS:
- 16 OK. Should I--

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- 18 COUNCIL PRESIDENT FLOREEN:
- 19 Sure. Go for it.

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- GREG RUSS:
- OK. Great. The second ZTA, which is ZTA 09-12, was also reviewed by the Planning
- 23 Board on January 7. The board unanimously recommends approval of this text
- 24 amendment as introduced. This text amendment proposes to amend the zoning ordinance
- to allow parcels in the Rural Service Zone with less than the 300-foot road frontage
- requirement to develop with the frontage that existed when the RS Zone was applied. The
- 27 sponsor believes this grandfathering provision was mistakenly omitted when the RS Zone
- was first established. The board agrees with the sponsor of the text amendment that this
- 29 provision was omitted inadvertently. I'd be happy to answer any questions.

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- COUNCIL PRESIDENT FLOREEN:
- 32 Thank you, Mr. Russ. Mr. Rankin. Press your button there. There you go.

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- EDWARD RANKIN:
- Thank you. I appreciate being able to speak to you about this. Thank you for the
- opportunity to share some information with you on behalf of my partners at Twin Springs
- Fruit Farm, located in Orrtanna, Pennsylvania. We've been coming to Concord-St.
- 38 Andrews Methodist Church for about 20 years, providing fresh-picked vegetables and
- fruits to the residents of the area. The generosity of parishes such as Concord-St.
- 40 Andrews is one of the reasons for the survival of small farms such as ours. In return, we
- 41 commit a percentage of our sales to provide a reliable source of income for the church.
- We are also a source of employment for local residents on both a year-round and part-

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time basis. That number varies depending on the time of year. Over 1,000 local customers who would have been affected by the market's closing signed a petition supporting retention and expressed their appreciation not only for the quality of our produce, but also for the opportunity the market provides as a center for social interaction. We hope to continue serving our loyal customers and thank everyone whose efforts, thoughts, and time have contributed to the updated ordinance now being considered. We appreciate the opportunity to submit this information for you today.

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COUNCIL PRESIDENT FLOREEN:

Thank you, Mr. Rankin. Mr. Heller.

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JIM HELLER:

Good morning, Chairman. How are you? Thank you, members of the Council, in advance, for your support of the ZTA 09-11, creating agricultural vending in residential zones for nonprofits. For the record, the amendment was created to help us continue the operation of the Twin Springs farm market at Concord-St. Andrews property. It's been operating under an exception called a Regular Route, but a complaint led us to realize we were in zoning violation. We thank Chairman Berliner's office for helping us get this on the docket for the County, and I see no rational reason not to continue operation. I've printed up a Google Maps picture here, and if you look at it, it shows the offset from the property. It tells you exactly where it's located and the fact that there would be no parking issues. Beyond that, as was cited by Mr. Rankin, the church derives between 8% and 14% of our annual operating budget there, which allows us to provide for 12-step recovery programs, our cooperative nursery school which exists there; we also house many community groups on their regular meetings, including Boy Scouts and other opportunities. As Mr. Rankin cited, the market has been there for many years-- he said over 20--and it's a community event. We had a very successful petition drive, and there's a sense of togetherness that must be observed. I invite any of you to come down tomorrow to the church and see the community that's there and to experience the social interaction in person. I think you would be wise to see that. Additionally, the community is supplied with a valuable source of pesticide-free and home-grown produce. This long-term event really is mirroring the macro trends in the country and provides us for an experience for our children to learn how food is created. I just look at the First Lady right now and what she is championing with farm and local produce, and it's a good thing, so... I want to read you a quick quote from one of the members there, and I have a minute left, so I'll try and get it in. "My 3-year-old son attends the nursery school there and we have a wonderful tradition of going to the market after school. He looks forward to it very much. He is thrilled when we drive into the parking lot and we see people setting up the market in the morning. One day when we were in a big hurry after school, I was rushing him and thought we would not have time to stop. I'm embarrassed to admit that I offered to bribe him with McDonald's Happy Meal to get his mind off the market. He pleaded with me, 'Mom, I don't want a Happy Meal. I want to go to the Fruit Stand. Please.' That really stopped me in my tracks

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and made me think about my priorities. That he would prefer the fruit stand as opposed to 1

- the French fries and chicken nuggets made me realize how important Twin Springs is to 2
- him. There's something beautiful about being close to locally grown produce--seeing the 3
- 4 colors, sampling the taste, holding the freshness in our hands, and my young son has
- learned to appreciate it as much as I had." There's more to this quote, and there's other 5
- quotes in here from people. I urge your support, and I thank you in advance for your consideration. 7

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COUNCIL PRESIDENT FLOREEN:

Thank you very much. Councilmember Berliner, are you trying to say something here? 10

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COUNCILMEMBER BERLINER:

- I'm trying to say something. I'm pushing the wrong buttons. One, let me thank you for your 13
- 14 --all of you for your testimony, except, you know, Mr. Russ, I'll only thank you a little bit. I
- thank you for your staff report and look forward to working with the chair and the members 15
- of the PHED Committee in addressing the board's concerns because I do believe there's 16
- great support for this. I appreciate the board's desire, also, to ensure that these kinds of 17
- farmers markets continue, and as I am sure the board appreciates, in the absence of this 18
- legislation, that will not happen. And so the notion that we could wait until we get the zone 19
- rewrite is simply a nonstarter. So if there are specific ways in which we can tweak this 20
- 21 legislation to address their concerns, please share with the chairman and others my
- desire to work with them in that regard, because this Councilmember's commitment is to 22
- make sure that this operation continues and operations of this nature continue. 23

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COUNCIL PRESIDENT FLOREEN:

26 Thank you, Mr. Berliner. Mr. Leventhal.

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COUNCILMEMBER LEVENTHAL:

Mr. Rankin, do you take credit cards at the fruit stand or just cash?

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EDWARD RANKIN: 31

32 We do take credit cards, yes.

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COUNCILMEMBER LEVENTHAL:

Have you ever looked into--I'm going to assume that you don't take the electronic benefit 35 36

transfer for food stamps. Have you ever looked into doing that?

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EDWARD RANKIN: 38

- 39 We have not done that, no. I'm actually the wrong person to give you the answer as to
- whether we've looked into that. I would guess that we have, because we have done that, I 40
- believe, in Virginia markets, but I'm--I'm not sure. I could find out and get back to you on 41
- 42. that.

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COUNCILMEMBER LEVENTHAL:

I'd be delighted to know. I'm very interested in that and how County government can help facilitate that. I think the benefit of fresh produce for people in every demographic group is very high, and I'm most interested in pursuing that issue.

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EDWARD RANKIN:

Thank you.

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10 COUNCIL PRESIDENT FLOREEN:

- OK. Mr. Zyontz, when you bring this to the PHED Committee, I wonder if you could
- address a couple of my questions, which are, I'm aware of many farm markets in the
- 13 County, and I'm not sure how many of them would satisfy these requirements. I doubt
- most of the ones I know about would. And so I would like to understand the implication of
- this for the myriad of other farm markets that are on public roads and in different
- 16 communities and parking lots and in a variety of locations throughout the County. Would
- 17 this be the only way that you could have a farm market-- farm market? So if you could
- bring that to us when we take it up, I'd appreciate it. OK. Thank you very much, folks.

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JIM HELLER:

Thank you.

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COUNCIL PRESIDENT FLOREEN:

- 24 And the next item on the agenda is public hearing on Zoning Text Amendment 09-12,
- 25 Rural Service Zone Development Standards. This ZTA would allow parcels in the Rural
- Service Zone with less than 300 feet of road frontage to develop with the frontage that
- 27 existed when the Rural Service Zone was applied. A PHED Committee worksession on
- 28 this ZTA is tentatively scheduled for Thursday, January 21, 2010 at 9:30 A.M. Persons
- 29 wishing to submit additional material for the Council's consideration should do so before
- 30 the close of business on Wednesday, January 13. Mr. Russ, we've heard from you, and

31 on to Mr. Kline.

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JODY KLINE:

Good afternoon. For the record, my name is Jody Kline. I'm an attorney with the law firm of Miller, Miller & Canby law offices here in Rockville at 200-B Monroe Street, but I'm sort of the junior varsity here today, since Sue Carter in my office is actually the primary mover of this text amendment, and only hospitalization is keeping her from being here today.

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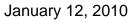
COUNCIL PRESIDENT FLOREEN:

40 Oh, dear.

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JODY KLINE:

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She's OK.

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COUNCIL PRESIDENT FLOREEN:

Please convey our concern to her.

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JODY KLINE:

6 7 Thank you. Mr. Russ has really kind of hit the essence of this. Somehow, there was an 8 oversight in 1994 that allowed these certain properties that did not meet the dimensional standards of the new Rural Services Zone to be able to move forward, and the text 9 10 amendment that was sent up to create the zone did have. I believe the Planning Board thought, a grandfather provision. It was found in footnote number 4. It's always hard to 11 prove a negative, but I can tell you that we have scoured your files for the original RS 12 Zoning ordinance text amendment and can't find the reason why the area requirement 13 14 was picked up in the footnote but the frontage requirement was not, and our client, unfortunately, has less than 300 feet and can't develop his property. As I said, I know it's 15 hard to prove a negative, but I--what I brought with me is an excerpt from the text of the 16 1994 Council hearing. Mr. Dennis Canavan, a very well respected planner, was speaking 17 on behalf of the Planning Board, and his testimony was, "The standards of the 18 development of this zone will be a 2-acre minimum lot size and 300 feet of road frontage. 19 We recognize that if this zone is applied to a strip of land along the I-270 corridor, that the 20 21 potential is there for setting up a nonconforming status, and that was not our intent. Therefore, we must apply grandfather language, and we feel that we have done so to 22 23 address those issues." I would acknowledge that the transmittal could have left somebody with confusion that taking care of the area requirements would be enough to address 24 everything, but in fact, by leaving out the 300-foot frontage requirements, it left certain 25 properties in the RS Zone unable to be developed, and in our client's case, we cannot get 26 27 subdivision approval to build on the property without the text amendment. I believe the--I was going to say "the record's clear," but I guess the record is not clear or we wouldn't be 28 here, but suffice it to say there's nothing in the file where any Council member or any staff 29 30 member said, "We shouldn't have a footnote that covers both nonconforming potentials," and this text amendment will cure that and allow certain properties to go forward in 31 development, as I think was originally intended. Thank you. 32

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COUNCIL PRESIDENT FLOREEN:

- Thank you very much, Mr. Kline. I don't see any questions. Thank you both, gentlemen. 35
- Next item on the agenda is Expedited Bill 41-09 Taxation Property Tax Credit -36
- Business Incubator. This bill would create a property tax credit for property used as a 37
- publicly sponsored business incubator. A Management and Fiscal Policy Committee 38
- worksession is tentatively scheduled for Monday, January 25, 2010, at 2 P.M., and 39
- persons wishing to submit additional material for the Council's consideration should do so 40
- before the close of business on Thursday, January 21. And for our speaker of the 41



afternoon on this matter would be Mr. Steve Silverman, director of the Department of Economic Development-- with fresh wounds.

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STEVE SILVERMAN:

- 5 Thank you, Madame President. Great to see you all again. Good afternoon. For the
- 6 record, my name is Steve Silverman, director of the Department of Economic
- 7 Development. I'm not going to read my written testimony, which we've submitted. This is
- 8 to address a challenge that came about based on an attorney general's opinion in 2005
- 9 basically saying that government property leased to an incubator business is taxable to
- the business owner, since the tenants of our incubator system, the businesses, are in fact
- for-profit businesses. So SDAT is assessing property taxes on, and can, on all 5 of our
- incubators. So this legislation is designed to avoid what amounts to a bureaucratic
- process where we would turn around and have to pay property taxes, and then we would
- be coming back to the Council to ask for an appropriation to pay those property taxes,
- which just creates a lot of staff time and bureaucracy. The key thing is, from Joe Beach, is
- adoption of this bill will not have an adverse fiscal impact on the County, since the amount
- of the credit does not impact the amount of revenues that can be collected under the
- 18 Charter Limit. So it's basically a wash. On behalf of the County Executive, we hope the
- 19 Council will look favorably upon this accounting challenge.

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COUNCIL PRESIDENT FLOREEN:

I'm sure we will give it due consideration, Mr. Silverman.

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STEVE SILVERMAN:

Thank you.

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COUNCIL PRESIDENT FLOREEN:

- Thank you very much. We'll move on to our next item, agenda item number 6. This is a public hearing on Bill 42-09, Common Ownership Communities Dispute Resolution. The
- 30 bill would modify the composition of the Commission on Common Ownership
- Communities, subject community associations to certain annual notification requirements,
- 32 make certain types of complaints subject to dispute resolution through administrative
- hearings by the Commission, establish a special panel with authority to lift the automatic
- stay imposed when a dispute is filed with the Commission, and generally revise County
- 35 law regarding common ownership communities. Public Safety Committee worksession will
- be scheduled at a later date, and persons wishing to submit additional material for the
- Council's consideration should do so before the close of business on Friday, January 29.
- We have 6 speakers for this matter:
- 39 Eric Friedman for the County Executive; Charles Fleischer, speaking for the Commission
- 40 on Common Ownership Communities; Jeremy Tucker, Community Associates Institute;
- John Williams from University Towers; Kathleen Thomas, Top of the Park Condominiums;

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and Christopher Hitchens, an individual. Thank you all for joining us this afternoon. Mr. Friedman.

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ERIC FRIEDMAN:

5 Good afternoon. For the record, I'm Eric Friedman, director of the Office of Consumer 6 Protection. On behalf of the County Executive, I want to thank former Council President Andrews for sponsoring Bill 42-09 and the entire Council for its consideration of the bill. 7 8 Bill 42-09 originated with the Commission on Common Ownership Communities--CCOC--9 which worked with our staff and the County Attorney's Office to address issues that have 10 arisen in nearly two decades that Chapter 10B of the County Code has been in effect. The CCOC consulted constituent groups, such as the Maryland Homeowners Association and 11 the Washington Metropolitan chapter of Community Associations Institute--CAI. Indeed, 12 the bill contains several changes suggested by CAI to earlier drafts. While the bill would 13 14 make some important changes in Chapter 10B, we don't believe it can be characterized as a major rewrite of the chapter. The core of the bill is a moderate expansion in the types 15 of disputes over which the CCOC has jurisdiction. To put these changes in context, I'll 16 briefly review the CCOC's complaint process. Filed complaints first go through a mediation 17 phase, in which our staff forwards the complaint to other parties for a written response and 18 19 assists the parties in trying to reach a resolution. If we are unsuccessful in bringing about a resolution, the parties are strongly encouraged to go to formal mediation conducted by 20 21 two trained mediators of the Conflict Resolution Center of Montgomery County. Approximately 60% of filed cases are resolved at some point during the mediation phase. 22 Those remaining unresolved are submitted to the CCOC at one of the monthly meetings. 23 The CCOC determines if the case falls within one of the definitions of dispute over which it 24 is given jurisdiction by Section 10B-8(3). If it is accepted for jurisdiction, a hearing is 25 26 scheduled. In the early 2000s, the commission decided that it did not have jurisdiction 27 over approximately 4% of the complaints that went beyond the mediation stage. That percentage is up to approximately 35% of the past --over the past two years. We believe 28 that this increase is due to changes in the types of complaints filed and the commission's 29 conservative interpretation of the term "dispute" in Chapter 10B. Bill 42-09 would expand 30 one category of dispute and create two new ones. Those two new categories are narrowly 31 drafted to cover particular situations. One would give the CCOC jurisdiction over 32 complaints about an association's failure to maintain or repair common elements, but only 33 when the repair or maintenance is required by law or an association document. Had the 34 bill been in effect over the last two years, we believe the number of cases in which the 35 commission decided that it did not have jurisdiction would have been reduced, but far from 36 eliminated. The CCOC's educational efforts would be enhanced by the bill's requirement 37 that a community association provide its member information on the commission's 38 39 services. Our office will make available written materials that can be used in providing that notice. The bill also makes straightforward and hopefully noncontroversial changes in the 40 composition of the commission and the automatic stay. We look forward to assisting the 41 Council and staff in their consideration of this legislation. 42



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COUNCIL PRESIDENT FLOREEN:

Thank you, Mr. Friedman. Mr. Fleischer.

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CHARLES FLEISCHER:

5 6 Thank you, Madame President. My name is Charles Fleischer, and I am pleased to be speaking on behalf of the Commission on Common Ownership Communities. Perhaps I 8 bring a unique perspective to this bill because I have had the privilege of serving for two 9 full terms on the commission. I'm also an attorney, and I have had the privilege of serving as panel chair a number of times and writing a number of opinions. The commission, with 10 the help of staff and the County Attorney's Office, has worked for well over a year in developing the bill. Most of the changes grew out of the commission's hands-on 12 experience in dealing with disputes. The changes will clarify the commission's jurisdiction 13 and allow the commission to get on with the business of resolving disputes, instead of 14 wrestling with the issue of whether we do have jurisdiction. I would like to focus on two 15 specific changes the bill would make. One begins on line 64 of the bill. This is a new 16 provision that would authorize the commission to hear disputes involving the failure of a 17 governing body to require a homeowner to comply with association rules. And I'd like to 18 19 give a specific example of an--of an actual case. A row of townhouse condominiums had a--had a swale running behind them for drainage of storm water. The downhill unit owner 20 added some landscaping features in violation of the condo's covenants, and the association should have required the downhill owner to remove or modify the features, but 22 23 it didn't, so every time it rained hard, an uphill owner's back yard and basement flooded. Under the existing law, the commission's jurisdiction to hear that kind of a dispute is 24 doubtful. Bill 42-09 would make it clear that the commission could take that case, and in 25 my view, that makes good sense. Otherwise, the unit owner would have to incur the 26 27 expense and formality of court proceedings. And I also call the Council's attention to the preamble of the existing statute, which finds that an unequal bargaining power between 28 associations and unit owners is really the reason for the-- for the bill in the first place. 29 30 Clarifying the commission's jurisdiction in this area would further the underlying purposes of the statute. Another substantive provision begins at line 62, and this would give the 31 commission authority to hear a claim that an association failed to maintain or repair a 32 common element if the failure resulted in damage or injury to the unit owner or tenant. The 33 commission does not want to second-guess an association's decision whether, for 34 example, to replace the roof this year or next. In fact, that is not within the commission's 35 jurisdiction. But suppose the roof has been leaking for years. It has caused property 36 damage within the unit. Mold has grown. We think the commission should be able to take 37 that kind of a case, as well. I thank you for this opportunity to testify. 38

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COUNCIL PRESIDENT FLOREEN:

Thank you, Mr. Fleischer, and thank you for your service on the commission. We're very 41 grateful to you. Next we have Jeremy Tucker. 42

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JEREMY TUCKER:

3 Thank you. For the record, my name is Jeremy Tucker. I am here today on behalf of the 4 Maryland Legislative Committee of the Washington Metropolitan chapter of CAI. Just a 5 little background--CAI serves the educational, business, and networking needs of 6 community associations and owner members within community associations throughout Maryland, Virginia, and the D.C. The Washington Metro chapter is the largest one in the 7 8 country. My committee is focused on local legislation within the metropolitan counties--9 Montgomery, Prince George's, and Howard County, as well as Charles County from time 10 to time. When this legislation came forward to us, we have worked pretty consistently over the last year and a half with the County staff, or the CCOC staff, and the County 11 Executive's office to hear our concerns, and we would like to thank CCOC for responding 12 and addressing numerous ones of-- numerous of our concerns. There still remains a few 13 14 outstanding issues, and I wish to highlight only two of them today. I've submitted written testimony for the rest of the other ones. One of the main ones deals with what Mr. 15 Fleischer was talking about, was the expansion of the jurisdictional determination to cover 16 disputes that require any person who is subject to the association's governing documents 17 to comply with the documents--in other words, bringing suit against an association for 18 19 failing to enforce the governing documents. Mr. Fleischer's example is a worst-case scenario. What we foresee this being is, a condominium doesn't take action to stop a 20 21 noise violation when complained against. All of a sudden, they can bring a suit to say, "You didn't stop that noise." Those type of decisions-- whether to take action, whether not 22 23 to take action--go to the heart of what is called the Business Judgment Rule, which Maryland Court of Appeals has said judicial bodies are prohibited from reviewing. In other 24 words, absent fraud or bad faith, no judicial body is allowed to review the business-making 25 decision of a board of directors. They chose to enforce, they chose not to enforce. They 26 27 chose to take "X" action, they chose to take "Y" action. Absent fraud or misdealing, it is not appropriate for the commission--or, for that matter, for the Circuit Court --to review that 28 decisionmaking. The other major issue--and we spent some time talking to CCOC staff 29 30 about this--is sort of the process, the procedures of when a case is filed to when jurisdictional determination is made. There is what we like to sort of consider strongly 31 encouraged mediation after a complaint is filed. An owner files a complaint against an 32 association. We are--the association, who I primarily represent--is required to essentially 33 go to mediation. Some 3 to 4 months later, a jurisdictional determination is made. What 34 we are hoping for, and what we've submitted in written testimony, is including a motion-to-35 dismiss procedure before the jurisdictional determination and after the jurisdictional 36 determination phase. We've met with staff, and they've indicated they would support such 37 an additional thing. Makes sense. Sometimes the commission gets it wrong. We'd like to 38 be able to have that reviewed before 6-- another 3 months before a panel. I thank you for 39 40 your time.

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COUNCIL PRESIDENT FLOREEN:

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1 Thank you. Mr. Williams, University Towers.

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JOHN WILLIAMS:

My name is John Williams. I'm the--

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6 COUNCIL PRESIDENT FLOREEN:

Press your button there, sir.

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9 JOHN WILLIAMS:

10 Thank you.

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12 COUNCIL PRESIDENT FLOREEN:

There you go.

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JOHN WILLIAMS:

My name is John Williams. I'm the former president of University Towers. Thank you for the opportunity of coming here today to make a suggestion with regard to an improvement in the process, by which the commission may work with boards of directors of such homeowner associations as University Towers. Specifically, I am addressing the manner in which the commission accepts complaints from members of an association. When a homeowner in an association has a complaint, he has to go through a process at the community level to resolve those complaints. We have a very good process at University Towers. The complainant goes to the manager, the community agent, then to the board, and if not resolved there, to a governance committee, which is non-board members. Only then should, if the dispute continues, should it go on to a formal complaint. In fact, this process--a process such as that would work to resolve many disputes and supports the community governance and lowers tensions within the community. However, all the complaints that came while I was on the board of directors ignored this process, although they did not say so in their complaint form. The very first that the board of directors heard of these complaints was a letter from the commission informing us that there was a formal complaint. This is not the way that the process is supposed to work. It undermines the community governance, hardens the positions at the very outset, and results in complaints that should not have been filed in the first place. As an example, one complainant complained that the board of directors had improperly used its authority to accept a \$1.9 million contract for pipe repairs, with the argument that the improvements constituted an improvement that required a 2/3 vote of the owners. A repair does not require such a vote. The board first heard of this complaint in a letter from the commission. Two days later, the complainant posted 30 notices, at every elevator in the building, stating that the Department of Consumer Affairs of Montgomery County was investigating the misappropriation of funds by the board of directors and that residents should not pay their assessments. This kind of process does not help community governance. After mediation

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and a hearing, this complaint was resolved in the favor of the association. However, the



- acceptance of the complaint after half of the repair had been completed stayed all further
- 2 repair work for many months and cost the association tens of thousands of dollars. The
- 3 lesson:
- 4 it would be helpful if the CCOC were to respect and enable the communities' own dispute-
- 5 resolution mechanisms, which are stipulated both in Maryland condominium law and in
- 6 University Towers' own governing documents. Before it accepts a complaint, it could
- determine if in fact the community had the opportunity to deal with the complaint. We
- 8 noted in our response in each complaint that the complaint had bypassed the community
- 9 process. This part of our response was ignored in every single case. It would have been
- helpful if the complaint had been remanded to the community to their own dispute
- resolution prior to the stay by the commission. Thank you very much.

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COUNCIL PRESIDENT FLOREEN:

14 Thank you very much, Mr. Williams. Ms. Thomas.

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16 KATHLEEN THOMAS:

17 Good afternoon.

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COUNCIL PRESIDENT FLOREEN:

Press your button there. There you go.

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KATHLEEN THOMAS:

Good afternoon. I'm Kathy Thomas. I'm representing Top of the Park Condominium, a 166-unit townhouse development just north of downtown Silver Spring. I'm a prior board member with firsthand experience in dealing with the CCOC resolution process, and in representing the board, I'm expressing our board's concern about expanding the CCOC's authority, since we found that resolution process to be expensive and unproductive. We first of all don't see the need to expand the jurisdiction. You heard from Mr. Friedman that 35% of all cases are denied jurisdiction. Sounds impressive. But when I spoke to the

- 30 CCOC staff yesterday, I learned that of the 84 cases that were resolved last year, only 9
- were dismissed for lack of jurisdiction, and these amendments would only increase
- jurisdiction over only two or 3 of them. We also don't see any widespread outcry to expand
- the --the commission's authority on the part of other condominium residents and
- 34 homeowners or co-op association residents, so we're really not sure why there's a reason
- to do this. We're also concerned about the vagueness of expanding the complaint process
- to include the need to maintain the common elements. You already heard that that
- impedes upon the business judgment, and frankly, every condominium document has that
- 38 broad language that says that the condo--that the association should uphold the common
- 39 elements. Now an aggrieved resident has a forum that they can now question the
- 40 business judgment of an association. But we're especially concerned about the need--
- 41 about the requirement that residents be informed about the CCOC availability. It has been
- 42 our experience that that kind of awareness only increases the likelihood of complaint. We



1 suffered two such complaints. One took 9 months to resolve before the resident dropped

- 2 it. The second took 19 months. Those two complaints cost the association approximately
- one month's condo fees in terms of legal expenses in order to resolve the problem. I 3
- 4 should also note that one of those cases involved what was alleged to be election fraud.
- 5 The complainant said that the secretary did not properly handle the proxies. The
- complainant was the secretary. One wonders why the CCOC took jurisdiction. So we're 6
- concerned, therefore, that as boards are struggling in order to hold down costs, balance 7
- 8 competing needs of residents, that we're now going to be hamstrung by having to
- 9 continually go before the CCOC. We take our fiduciary responsibility very seriously, and
- 10 many of us work full time and we are not lawyers, and that means that when we are
- presented with litigation, we must go out, both prudently and out of necessity, and get a 11
- lawyer, and that means costs are going to rise for all our residents, and we think that that 12
- will be counterproductive. We urge the Council, therefore, to consider very strongly not 13
- 14 expanding the authority of the CCOC and, in fact, evaluate just how it's operating at
- present. I thank you for your time and attention and hope you will pay attention to our 15
- concerns. 16

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COUNCIL PRESIDENT FLOREEN:

Thank you very much, Miss Thomas. And finally we have Christopher Hitchens. We're wondering if you're the Mr. Hitchens who's the journalist.

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CHRISTOPHER HITCHENS:

No, I'm the nice Christopher Hitchens.

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COUNCIL PRESIDENT FLOREEN:

Oh, I see. Well, then, we'll keep that in mind.

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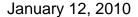
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CHRISTOPHER HITCHENS:

I am an attorney here in Rockville. I'm with the Thomas Schild Law Group, and our firm practices almost exclusively in the areas of community association law, representing condominiums and homeowners associations. And I'm also a panel chair on the Commission on Common Ownership Communities and have presented cases to the commission, as well, as a private sector attorney, and from 1992 to 1999, I was the assistant county attorney who was the counsel to the commission. So I've been involved with the commission for coming on 20 years. I think these are the first amendments to Chapter 10B that have ever been offered up, and those of us in the industry have watched with interest over the years to see whether amendments would ever be made, and now we're very interested in the amendments that have been made and some that haven't

- 38 39 been made. These are going to be very important amendments that-- whatever that you
- pass to this, because not only is it important to this commission here in the County, but 40
- across the state, there are several jurisdictions and the state itself that look to 41
- Montgomery County and this commission and the statute as the gold standard for this 42

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1 type of dispute resolution, and in fact, I think it remains unique in the United States. The 2 area that we think is the most important is the two amendments that deal with the 3 jurisdiction of the commission, and several of the speakers have mentioned them, and I 4 would just mention, sort of as a follow-up to Mr. Fleisher's comment--he gave you an 5 example where in a group of townhouses, there would be someone who would violate the 6 covenants, and under the current code, there would-- they felt that there may have not been jurisdiction to deal with that issue. The flip side of that, however, is that we believe 7 8 that you may have an association who--who takes some act to enforce a covenant and 9 then decides not to take any further act to enforce it, either because it's going to be more 10 costly or just not a good reason, in their judgment. And yet, they're going to be subject to a complaint from this new amendment that would allow dispute to include the idea of any 11 type of violation of a covenant. So we think it has two sides, and we would urge you to 12 very carefully look at that and look for examples of it--of how it will affect. Some other 13 14 things that we'd like to see the--the legislation address that aren't addressed in there now is that-- one thing that is going to be happening with the amendments is that the 15 composition of the commission is going to change, and it's going to now have a majority of 16 homeowners. And these homeowners, when they're sitting on the panels, have a 17 tremendous power, through the quasi-judicial hearings, to significantly impact 18 19 associations, and we would like to see them have some training in administrative law and also principles of community association law. Two other areas just very briefly. We would 20 21 like the legislation to address the commission's sequencing of the determination of jurisdiction, because right now, the commission can wait to determine whether it really has 22 23 jurisdiction over the dispute until the parties have gone through a mediation, and this can be several months. And the final thing I'd like to mention is that we'd like to see the statute 24 directly address attorneys' fees, and the Condominium Act provides that in a dispute, the 25 prevailing party is entitled to its attorneys' fees, and we would like to see this 10B 26 27 legislation be that simple, as well. Thank you.

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COUNCIL PRESIDENT FLOREEN:

Thank you very much. I would ask that if folks have written comments, that would be very helpful to get them to the Council so that we can-- committee can--Public Safety Committee can review them, and let me extend my personal appreciation to the individuals who are on these homeownership condominium boards. This is no easy task. I think it's harder than being a member of the County Council. And with that, I'm going to ask -- I see that Councilmember Andrews has a question or a concern.

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COUNCILMEMBER ANDREWS:

- Thank you, Council President Floreen. Perhaps serving on the Architectural Review 38 Committees is like the hazard--you know, the hazardous, really hazardous job, but thank 39 you all for your testimony, and the more detailed, the better, so thank you for that, and 40 there's plenty of time to continue to provide input to the Council and the Public Safety 41
- Committee, which I anticipate the Public Safety Committee taking up the bill in February. 42



So please continue to give us examples of where you think the measure has merit and where there may be problems, and the more specific, the better. Thank you all.

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COUNCIL PRESIDENT FLOREEN:

- 5 Thank you, folks. And then our final matter for the afternoon in public hearing is a public
- 6 hearing on Bill 43-09, Callithea Farm Stables Lease Amendment and Extension. This
- 7 would approve a lease amendment and extension to a ground lease between the
- 8 Maryland-National Capital Park and Planning Commission and George Sengstack for land
- 9 known as the Callithea Farm Stables. A PHED Committee worksession will be scheduled
- later, and folks wishing to submit additional material for the Council's consideration should
- try to do so before the close of business on Friday, January 29. And we have David Tobin
- 12 from the Planning Board to speak to us.

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14 DAVID TOBIN:

- 15 Thank you very much, and thank you for your consideration of this bill. My name is David
- 16 Tobin. I'm the equine resources coordinator for the Facilities Management Division of
- 17 Montgomery Parks, and I'm representing Chairman Hanson today in seeking your support
- of this--this legislation, which is, for the most part, a technical repair to a--to a lease that
- was first put together at the beginning of a phased purchase of Callithea Farm in 2002. In
- effect, the purchase was scheduled to take place over 5 years. In fact, it was completed in
- 21 3 years, but the lease that was provided to the operator went into effect at the beginning
- of that phase. So what this amendment does is grant him the 20-year lease that was the
- 23 intent of the purchase by providing him with a 3-year extension to their lease to
- compensate for the 3 years that he was under lease but didn't have the full use of the
- 25 property.

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COUNCIL PRESIDENT FLOREEN:

28 OK. Thank you very much.

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30 DAVID TOBIN:

31 Thank you.

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COUNCIL PRESIDENT FLOREEN:

I don't see any questions, and the PHED Committee will take that up shortly.

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- DAVID TOBIN:
- 37 Great.

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39 COUNCIL PRESIDENT FLOREEN:

- 40 Thank you very much. This concludes our Council session for today. I do invite my
- 41 colleagues to join us. We're going to stay here as the T&E Committee to take up a briefing
- 42 on the County's snow removal operations, at the particular request of Council Vice

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- President Ervin and Councilmember Berliner. With that, Mr. Orlin, are you driving this 1
- 2 particular plow?

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- 4 **GLENN ORLIN:**
- Director Holmes is expected over here shortly. He has not arrived yet. Keith Compton is 5
- 6 here.

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- 8 **COUNCIL PRESIDENT FLOREEN:**
- Do you want us to take a couple of minutes? OK. Well, why don't we reconvene at 2:30, then? Is that OK? He'll be here about then? OK. Thanks. 9
- 10